

Washington, DC -- To prevent economic problems like those seen during the snow droughts that occurred throughout Upstate New York earlier this year, U.S. Representative Michael A. Arcuri (D-Utica) voted in favor of legislation today that would help local businesses affected by a lack of snowfall file for economic injury disaster loans through the U.S. Small Business Administration (SBA).

The bill, the RECOVER Act (H.R. 1361), would require the SBA to conduct a study to determine eligibility guidelines for a "lack of snowfall" disaster declaration, by creating specific criteria for different parts of the country under which a "lack of snowfall" disaster could be declared and a Small Business Administration loan granted.

"This is a critical step to ensure that local businesses who depend on winter tourism are eligible for SBA economic injury disaster loans when there is a lack of snow – allowing them to keep their businesses open, pay their employees, and continue to be a vital part of the Upstate economy," said Arcuri, who spoke in support of the provision during a House Rules Committee hearing yesterday.

"In Cortland County alone, 11 businesses sustained more than \$2.5 million in revenue losses and 398 displaced jobs from December 1, 2006 to January 15, 2007. Unfortunately, at the time, the SBA would not grant such a declaration because the definition of a 'disaster' did not include lack of snowfall."

New York State has 52 ski areas - more than any other state. New York's ski areas host an average of 4 million visitors each year whose direct and indirect economic impact is in excess of \$1 billion. On average, New York ski areas employ 10,000 people each year, many from rural counties with traditionally high unemployment rates.

"Having access to SBA loans is critical to the health of the ski industry in New York State," said Ski Areas of New York President Dirk Gouwens. "The lack of snowfall and cold weather this January was devastating to our industry and many ski areas will never be able to fully recover without some kind of financial help. Ski areas throughout the state are major employers and the ripple effects of the lack of snow was felt by hundreds of New York families across the state. The availability of SBA loans this winter could have made a huge difference for these businesses and families."

H.R. 1361, which passed the House of Representatives by a bipartisan majority, would also create a disaster planning position within the Small Business Administration (SBA) to better coordinate disaster assistance loans and grants, require the agency to develop and implement a disaster response plan and to maintain a 1,000 person "disaster reserve corps," and double individual disaster loan limits to \$3 million. The interest rates on these loans cannot exceed 4 percent per year. These loans can only be used to meet necessary financial obligations that a business could have met had the disaster not occurred.

The Small Business Administration's (SBA) disaster loan program was created to provide timely low-interest loans and working capital for businesses and homeowners affected by a disaster. These loans are the primary form of federal assistance for the repair and rebuilding of non-farm, private sector disaster losses, and assist businesses that in most cases would fail without the loans because they lack the financial resources necessary to restart.

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